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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

February 29, 2000

E.M. Gerick, V.P. of Operations  
Western States Minerals Corporation  
250 South Rock Blvd., Suite 130  
Reno, Nevada 89502

Re: Phase II and Phase III (Final) Bond Release, Western States Minerals Corporation  
(WSMC), J.B. King Mine, ACT/015/002, Outgoing File

*B.A.2*

Dear Mr. Gerick:

On December 1, 1999, the final bond release inspection was conducted and documented. The Utah Division of Oil, Gas, and Mining has found, based upon inspection, analyses of the permit, the rules, and scientific data collected for Phase II and Phase III bond release, that WSMC has successfully completed coal mining and reclamation operations and has met or exceeded the minimum regulatory requirements for approving Phase II and Phase III bond release for the J.B. King Mine, Permit ACT/015/002. Findings made by the Division are in the attached Decision Document for Phase II and Phase III Bond Release for the J.B. King Mine, dated February 28, 2000.

Please be advised that simultaneous Phase II and Phase III release is the intent of the Bond Release Decision Document. However, according to the Division letter to WSMC dated November 12, 1999, it was requested that the north perimeter ditch and fence be removed prior to final Phase II approval. WSMC therefore must:

1. Remove the north perimeter ditch, and seed and mulch the ditch area.
2. Remove the miscellaneous trash and scrap metal on site.
3. Remove silt fences on site.
4. Remove the perimeter fence.
5. Remove the sign.

Upon the condition for Phase II being satisfied, Phase II and Phase III bond release will occur simultaneously. When WSMC is ready to perform this work, please notify Susan White, the inspector for this site, at (801) 538-5258 so she can be present during the work. When the Division has received assurance from the inspector that these items have been performed to the Division's satisfaction, the bond can be released to WSMC for the J.B. King mine site.

In summary, Phase II bond release is approved and conditioned. Phase III bond release is approved and will occur simultaneously with bond release for Phase II. WSMC is to be commended for their diligent and innovative reclamation efforts, their dedication and patience, and their coordination of reclamation efforts with the Division.

Sincerely,

*Lowell*

Lowell P. Braxton  
Director

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Enclosures

cc: David Terry, SITLA  
Richard Manus, BLM (Price)  
Bryant Anderson, Emery County Planning (Certified Return Receipt)  
Z 230 748 175  
Craig Carver  
Al Cerny

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CC: Jim Fulton, OSM

Z 230 748 175

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PS Form 3800, April 1995

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OSM, Jim, SKINS End, 2-24-00